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## MEDIA RELEASE

### **Synlait announces new partnership and premium earning milk supply opportunity**

Synlait Milk announced a new partnership with United States company, Munchkin Inc., and a subsequent premium earning milk supply opportunity at its annual milk supply conference held in Christchurch today.

Munchkin, an innovative baby products manufacturer, plans to launch a new Grass Fed branded retail-ready infant formula into the United States and China that will be manufactured exclusively by Synlait.

Synlait Managing Director Dr John Penno says, strategically Synlait has been looking at opportunities that reduce its exposure to China.

“We are cognisant of ensuring our infant formula business does not become overly reliant on the China market, and so Munchkin, with its focus on the United States market, is a potentially important addition to our growing portfolio of retail-ready infant formula customers,” said Dr Penno.

The raw milk used to manufacture the unique infant formula is subject to a new Grass Fed standard co-developed by Munchkin and Synlait. It requires cows to be exclusively grazed on a pasture and crop based diet, with no feeding of grain, or feed not grown in New Zealand. Farmers will be independently audited to ensure they meet, and maintain the standard.

Munchkin CEO Steve Dunn says, “The new standard, and a unique Grass Fed infant formula line to meet growing consumer demand, particularly in the United States, is a big opportunity for Munchkin. Our forecast gross revenue for FY15 is over US\$300 million, and we expect the growth of the Grass Fed infant formula business to contribute significantly to our bottom line over time.”

Dr Penno added that Grass Fed is a unique value added opportunity that will reward a small group of Synlait suppliers who choose to follow the new standard by paying them a premium for their milk.

“Our focus is on ensuring we continue to provide our milk suppliers with opportunities to earn more for their milk, over and above the base milk price. Grass Fed adds to the existing range of premium earning options our suppliers can choose from which includes A2 milk, Immuron Colostrum, and our best practice dairy farming programme Lead With Pride™,” Dr Penno said.

### **ENDS**

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#### **About Munchkin Inc.**

Munchkin develops clever, innovative products for babies and children that anticipate and serve parents' needs by thinking of “the little things.” Founded in 1991 in Los Angeles, California, and with 7 offices worldwide, Munchkin is a leading manufacturer of infant & toddler accessories that can be found in over 50,000 retail outlets worldwide.